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MARC SPITZER  
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ORIGINAL



ARIZONA CORPORATION COMMISSION  
July 2, 2001



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**SECOND DRAFT - PROPOSED RULES**

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

To: Interested Parties

RE: Slamming/Cramming Rules - Docket No. RT 00000J-99-0034

Enclosed is a new draft of the proposed Slamming and Cramming rules for your review and comment. This draft incorporates the discussion from the June 13<sup>th</sup> workshop, as well as the written comments from interested parties.

Staff is again encouraging all interested parties to provide comments and input. Based on comments from the parties requesting more time than was allotted for comments with the first draft, interested parties will have **thirty days** to provide comments on the updated version of proposed rules. Please review these proposed rules and file an original and ten copies of your comments with Docket Control on or before **Monday, August 6<sup>th</sup>**.

When those comments are received, Staff will incorporate appropriate recommendations into a third draft of the proposed rules. Staff intends to send those comments to the parties on **Wednesday, August 22<sup>nd</sup>**. Staff will be hosting another workshop with all interested parties on **Thursday, August 30<sup>th</sup> from 9:00 a.m. to 12:00 p.m.** in the Pipeline Safety Conference Room of the Arizona Corporation Commission to discuss the third draft of the proposed rules.

Again, thank you for your participation in the development of these important consumer protection rules. Staff knows that your input is invaluable and is looking forward to continue working with you.

Sincerely,  
  
Deborah R. Scott  
Director, Utilities Division

Arizona Corporation Commission  
**DOCKETED**

JUL 02 2001

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DRS:mi

Enclosure

cc. Chairman William A. Mundell  
Commissioner Jim Irvin  
Commissioner Marc Spitzer  
Docket Control  
All Telecommunications Providers Certificated in Arizona  
Arizona Consumer Groups  
Paul Bullis, Chief Counsel, Public Advocacy Section  
Office of the Attorney General

## ARTICLE 19. CONSUMER PROTECTIONS FOR UNAUTHORIZED CARRIER CHANGES

R14-2-1901.	Definitions
R14-2-1902.	Purpose and scope
R14-2-1903.	Application
R14-2-1904.	Authorized telecommunications company change procedures
R14-2-1905.	Verification of orders for telecommunications service
R14-2-1906.	Notice of change
R14-2-1907.	Unauthorized charges
R14-2-1908.	Notice of customer rights
R14-2-1909.	Customer account freeze
R14-2-1910.	Complaint process
R14-2-1911.	Compliance and enforcement

### R14-2-1901. Definitions

- A. "Authorized carrier" - means any telecommunications company that submits, on behalf of a customer, a change in the customer's selection of a provider of telecommunications service, with the customer's authorization verified in accordance with the procedures specified in these rules.
- B. "Customer" means the person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of service as defined by R14-2-501(9).
- C. "Customer Account Freeze" means an written authorization, either written, electronic, or with 3<sup>rd</sup> party verification, from a customer to impose a stay on any change in telecommunications services.
- D. "Executing telecommunications carrier" means a telecommunications company that effects a request that a customer's telecommunications company be changed.
- E. "Letter of agency" ("LOA") means written authorization, including Internet enabled with electronic signature, from a customer for a change in billing for services, telecommunications carrier.
- F. "Slamming" means any change in an end-use customer's presubscription to a telecommunications service subject to the jurisdiction of the Commission which is made without appropriate consent of the customer.
- G. "Telecommunications company" - A public service corporation, as defined in the Arizona Constitution, Article 15, § 2, that provides telecommunications services within the state of Arizona and over which the Commission has jurisdiction.

### R14-2-1902 Purpose and Scope

The provisions of this section are intended to ensure that all customers in this state are protected from an unauthorized change in a customer's local ~~or long-distance~~ intraLATA or interLATA long-distance telecommunications company. The rules promote satisfactory service to the public by local and intraLATA or interLATA long-distance and long-distance telecommunications company establish the rights and responsibilities of both company and customer. Liability standards and penalties are established to ~~promote~~ ensure compliance.

### R14-2-1903. Application

These rules ~~This section,~~ including any references ~~in this section~~ to the requirements in 47 C.F.R. 64.1100 and 47 C.F.R. 64.1150, apply to each telecommunications company ~~as that term is defined in A.A.C. R14-2-1102.15, that is required to provide interLATA, intraLATA equal access.~~ These rules do not apply to providers of wireless, cellular, personal communications services or commercial radio services, until such time as those telecommunications companies are mandated by law to provide equal access or local number portability.

### R14-2-1904. Authorized telecommunications company change procedures

- A. No telecommunications company shall submit a change on behalf of a customer prior to obtaining authorization from the customer and obtaining verification of that authorization in accordance with R14-2-1905 of this rule.
- B. ~~For~~ A telecommunications company submitting a change, must comply ~~compliance~~ with the verification procedures ~~shall consist of~~ set forth in R14-2-1905. ~~of this rule.~~

- C. The telecommunications company submitting a change shall maintain and preserve records of verification of customer authorization for a minimum period of two years.
- D. A telecommunications company executing a change shall not ~~verify~~ **contact** the customer's ~~to verify the~~ **customer's** selection ~~that was~~ received from a submitting telecommunications company.
- E. ~~For a A telecommunications company executing a change, compliance with this section shall consist of prompt execution of changes that have been verified by a submitting telecommunications company.~~ **shall execute such changes as promptly as reasonable business practices will permit. The executing telecommunications company shall have no liability for processing an unauthorized change.**
- F. Where a telecommunications company is selling more than one type of services (local, intraLATA, interLATA), it shall obtain ~~separate~~ authorization from the subscriber for ~~each~~ **all** services sold ~~during a single contact.~~
- G. ~~Each authorization described above shall be verified separately from any other authorizations obtained in the same solicitation and in accordance with the verification procedures prescribed in this part.~~

#### **R14-2-1905. Verification of orders for telecommunications service**

- A. No telecommunications company shall submit a ~~preferred~~ telecommunications company change order unless and until the order has first been confirmed in accordance with one of the following:
  - 1. The telecommunications company has obtained the customer's written authorization in a form that meets the requirements of this section;
  - 2. The telecommunications company has obtained the customer's ~~electronic~~ **Internet enabled** authorization **with electronic signature** to submit the ~~preferred~~ telecommunications company change order that meets the requirements of the section; or
  - 3. **An independent third party qualified under the criteria set forth in subpart F has A-qualified** ~~independent third party has obtained and recorded the customer's verbal authorization to submit the preferred telecommunications company change order that confirms and includes appropriate verification data pursuant to the requirements of this section.~~
- B. Written authorization obtained by a telecommunications company shall:
  - 1. Be a separate document containing only the authorizing language in accordance with verification procedures for this section;
  - 2. Have the sole purpose of authorizing a ~~preferred~~ telecommunications company change;
  - 3. Be signed and dated by the customer **or qualified representative** ~~to the telephone line~~ requesting the ~~preferred~~ telecommunications company change;
  - 4. Not be combined with any inducement of any kind; **except a letter of agency may be combined with a check. The letter of agency check shall not contain any promotional language or material. The letter of agency check shall contain in easily readable, bold-face type on the front of the check, a notice that the customer is authorizing a preferred telecommunications company change by signing the check. This language shall be placed near the signature line of the back of the check.**
  - 5. Be written in the same language as ~~related the promotional materials if combined with promotional material used in the underlying sales transaction.~~
  - 6. **Electronically signed letter of agency (Internet LOAs) are valid written authorization.**
- C. A telecommunications company that obtains a customer's electronic voice recorded authorization shall ~~comply with the following:~~
  - 1. ~~The authorization call shall be placed from the telephone number (s) on which the preferred telecommunications company is to be changed; and~~
  - 2. ~~The authorization call shall confirm the customer identification and service change information. required.~~
- D. A telecommunications company electing to confirm sales ~~electronically~~ **telephonically** shall establish one or more toll free telephone numbers exclusively for that purpose.
- E. A call to a toll-free number shall connect a customer to a recording mechanism that shall record the required information regarding the ~~preferred telecommunications~~ company change, including automatically recording the originating automatic number identification information, **if that information is available.**
- F. A telecommunications company that obtains a customer's authorization verified by an independent third party shall comply with the following:
  - 1. The independent third party shall not be owned, managed, controlled, or directed by the telecommunications company or the company's marketing agent;
  - 2. The independent third party shall not have any financial incentive to confirm preferred telecommunications company change orders for the company or the company's marketing agents;

3. The independent third party shall operate in a location physically separate from the telecommunications company or the company's marketing agent;
4. The independent third party shall inform the customer that call is being recorded and record the customer's authorization to change telecommunications company; ~~and consent to recording unless the customer objects;~~
5. The independent third party shall state at the beginning of the call to the subscriber:
  - a. ~~That the caller is a third party administrator hired by the telecommunications company;~~
  - b. ~~That the purpose of the call is to switch the customer;~~
  - b. ~~The name of the telecommunications company seeking to switch the customer; and~~
  - e. ~~That unless the customer requests otherwise, the authorization shall be recorded.~~
5. All third party verification methods shall elicit, at a minimum:
  - a. the identity of the customer;
  - b. confirmation that the person on the call is authorized to make the telecommunications company change;
  - c. confirmation that the person on the call wants to make the telecommunications company change;
  - d. the names of the telecommunications companies affected by the change;
  - e. the telephone numbers to be switched; and
  - f. the types of service involved.
- G. ~~A telecommunications company, or its' agent initiating a three-way conference call must drop off the call once the call connection has been established.~~
- G. All third party verifications shall be conducted in the same language that was used in the sales transaction.
- I. ~~In the event a customer objects to providing a voice recorded authorization, the telecommunications company shall provide the customer with the ability to issue written authorization.~~
- J. ~~The content of the verification shall include clear and conspicuous confirmation that the customer has authorized a preferred telecommunications company change.~~
- K. ~~A telecommunications company obtaining the authorization, by any method, of a customer to switch carriers shall confirm that the individual requesting the change is the person, or authorized representative for the whose name is on the account.~~

#### R14-2-1906. Notice of change

- A. When a ~~preferred telecommunications~~ an authorized carrier has changed a customer's service, the new company, or its billing and collection agent, on its behalf, shall ~~insert a conspicuous notice in the customer's next bill highlighting the change in service~~ clearly and conspicuously identify any change in service provider, including the name of the new telecommunications ~~carrier,~~ company, their address and telephone number.
- B. ~~When a preferred telecommunications carrier has changed a customer's service, the new company, or its billing and collection agent, on its behalf, shall notify the customer in writing within 10 days of their change in telecommunications carriers.~~

#### R14-2-1907. Unauthorized charges

- A. A customer shall promptly notify the telecommunications company of any unauthorized change.
- B. If Once a customer notifies the telecommunications company that the a customer's service arrangement is ~~was~~ changed without verification consistent with these rules, it is the responsibilities of the telecommunications company ~~initiating~~ submitting the unauthorized a change to:
  1. Take all actions within its control to facilitate the customer's ~~prompt~~ return to the original telecommunications company ~~within business three days of the customers request,~~ as promptly as reasonable business practices will permit, but no later than five business days.
- C. Once a determination has been made that a slam has occurred, the unauthorized telecommunications company must pay all charges associated with returning the customer to the original telecommunications company ~~within five business days of the customer's request~~ as promptly as reasonable business practices will permit, but no later than 30 business days.

3. Provide all billing records related to the unauthorized change of services to the original telecommunications company ~~related to the unauthorized change of services~~ within ten business days of the customer's request;
  4. Pay the original telecommunications company any amount paid to it by the customer that would have been paid to the original telecommunications company if the unauthorized change had not occurred, within 30 business days of the customer's request;
  5. Return to the customer within 30 business days of the customer's request:
    - a. Any amount paid by the customer for charges incurred during the first 30 days after the date of an unauthorized change; and,
    - b. Any amount paid by the customer after the first 30 days in excess of the charges that would have been charged if the unauthorized change had not occurred; and
    - c. Remove all ~~unpaid~~ **unauthorized** charges from the customer's account.
- D.** A billing telecommunications company shall not:
1. Suspend, disconnect, or terminate telecommunications service to any customer who disputes any billing charge pursuant to this section or for nonpayment of an unauthorized charge, unless the dispute regarding the unauthorized charges is ultimately resolved against the customer, or
  2. File an unfavorable credit report against a customer who has not paid charges that the customer has alleged were unauthorized, unless the dispute regarding the unauthorized charges is ultimately resolved against the customer.
- E.** ~~except that the~~ **The** customer shall remain obligated to pay any charges that are not in dispute.

**R14-2-1908. Notice of customer rights**

- A.** Each telecommunications company shall provide to its customers ~~an annual~~ notice of the customer's rights regarding unauthorized changes.
- B.** ~~Each notice shall contain the name, address and telephone numbers where a customer can contact the telecommunications company.~~
- B.** The customer notice shall state:
1. **The name, address and telephone numbers where a customer can contact the telecommunications company.**
  2. A telecommunications ~~earlier~~ **company** is prohibited from changing a telephone service to another company without the customer's permission,
  3. An unauthorized telecommunications ~~earlier~~ **company** changing a telephone service without the customer's permission is guilty of slamming and is required to return the service back to the customer's original provider;
  4. An **unauthorized** telecommunications ~~earlier~~ **company** ~~which that~~ has switched a telephone service without the customer's permission is required to pay all charges associated with returning the customer to the original telephone company ~~within 5 business days of the customer's request;~~ **as promptly as reasonable business practices will permit, but no later than 30 business days of the customer's request.**
  5. An **unauthorized** telecommunications ~~earlier~~ **company** ~~which that~~ has changed a telephone service without the customer's permission is required to provide all billing records to the customer's original telecommunications company within 10 business days of the customer's request;
  6. An **unauthorized** telecommunications ~~earlier~~ **company** ~~which that~~ has changed a telephone service without the customer's permission is required to pay the customer's original telecommunications ~~earlier~~ **company** the charges the customer would have paid if the customer not been slammed;
  7. An **unauthorized** telecommunications ~~earlier~~ **company** ~~which that~~ has changed a telephone service without the customer's permission is required to refund to the customer within 30 business days **all any amount the customer paid for unauthorized charges paid by the customer.**
  8. A customer that has been slammed can contact the original telephone ~~earlier~~ **company** to request the service be changed back **in accordance with A.A.C. R14-2-1905.**
  9. A customer who has been slammed should report the unauthorized change to the Arizona Corporation Commission.
  10. **The name, address, web site address, and telephone number of the Arizona Corporation Commission must be provided.**
  11. To prevent being slammed, a customer can request that a preferred telecommunications ~~earlier~~ **company** place a freeze on ~~their~~ **its** telephone service **account.**

- D. A telecommunications ~~carrier~~ **company** is to send the notice described in this rule to new customers at the time service is initiated, and upon customer request.
- E. Each telecommunications ~~carrier~~ **company that publishes a telephone directory** shall print the notice **described in this rule** in the white pages of its **next annual** telephone directory. ~~published 30 days after the effective date of this rule;~~
- F. **Each telecommunications company shall display the notice on the company's web site.**
- G. The notice shall be in both English and Spanish as necessary to effectively inform the customer.

**R14-2-1909. Customer account freeze**

- A. A customer account freeze ("freeze") prevents a change in a customer's telecommunications company selection unless the customer gives consent to the local exchange company that implemented the freeze **to make a change.**
- B. All local exchange companies that offer a freeze shall do so on a nondiscriminatory basis to all customers.
- C. Customer information on a freeze shall clearly distinguish between intraLATA and interLATA telecommunications services.
- ~~D. A local exchange company shall obtain separate authorization for each service for which a freeze is requested.~~
- D. All information provided by a telecommunications company regarding a freeze shall have the sole purpose of educating customers and providing information in a neutral way to allow the customer to make an informed decision, and shall not market or induce the customer to request a freeze.
- E. A local exchange company shall not implement a freeze unless a customer's ~~request is verified~~ freeze authorization **is written, electronic, or verbal authorization with 3<sup>rd</sup> party verification.**
  - ~~1. Be a separate document with the sole purpose of imposing a freeze;~~
  - ~~2. Be signed and dated by the customer;~~
  - ~~3. Not be combined with any inducements of any kind.~~
- F. ~~A local exchange company shall allow A customers~~ **may to lift a the freeze by on its account with written, electronic or verbal authorization with 3<sup>rd</sup> party verification:**
  - ~~1. Submitting written authorization stating the customer's intent to lift the freeze;~~
  - ~~2. Verbal authorization with conformation on verification data.~~
- G. ~~The customer shall not be charged for imposing or lifting a freeze.~~ **If a telecommunications company wants to charge the customer for imposing or lifting a freeze, the company must file a tariff for Commission approval.**
- H. A local exchange company shall not impose a freeze on local service, **intraLATA or intrastate telecommunications** on its own initiative.
- ~~I. A local exchange company shall not initiate any form of marketing of its services during the process of implementing or lifting a freeze.~~
- I. A local exchange company shall maintain records of all freeze authorizations and repeals for a period of 24 months **two years.**

**R14-2-1910. Complaint process**

- A. An informal complaint ~~shall may~~ be in writing, **telephonic or electronically transmitted.** ~~and should contain:~~  
**Information should include:**
  - 1. Complainant's name, address, telephone number and e-mail if possible;
  - 2. The names of the alleged unauthorized telecommunications company, the authorized telecommunications company and the executing telecommunications company;
  - 3. The date of the alleged unauthorized change (if known);
  - 4. A statement of facts (including documentation) to support the complainant's allegation;
  - 5. A statement of whether the complainant has paid any disputed charges; and,
  - 6. The specific relief sought.
- B. Staff of the Arizona Corporation Commission, ~~upon receipt of a complaint at the Commission will:~~
  - 1. ~~Acknowledge receipt of the complaint and provide the subscriber written procedures for resolving the complaint.~~ **Assist the complainant in resolving the complaint.**
  - 2. Notify the executing telecommunications company, authorized telecommunications company, and allegedly unauthorized telecommunications company of the alleged unauthorized change.
  - 3. **Request the alleged unauthorized telecommunications company provide an initial response in five business days.**

4. Request the alleged unauthorized telecommunications company provide documentation of the subscriber's customer's written, Internet authorization or recorded and third party verification. Such information will be provided to Staff ~~within Seven business days.~~ If such information is not provided within ~~10~~ 20 business days of the initial notification or a valid presumption will exists that an unauthorized change occurred and Staff will make a finding that such a change did occur.
5. Advise the telecommunications company that it must provide Staff with any other additional information requested by Staff within 10 business days of Staff's request, ~~or provide Staff with an explanation for the delay and an estimate as to when the requested materials will be provided.~~
6. Conduct a review of the complaint and related materials to determine if an unauthorized change has occurred.
7. Inform the customer, executing telecommunications company, alleged unauthorized telecommunications company and authorized telecommunications company of its findings upon conclusion of its review.
- C. In the event either party is dissatisfied with the Staff resolution, either party may appeal the decision within 5 ~~ten~~ business days. Such an appeal would be heard by an appointed Utilities Division Staff arbitrator. ~~or mediator.~~
- D. If the complainant is unsatisfied with the resolution of the complaint under this section, the complainant may file a formal complaint pursuant to A.R.S. § 40-246.

**R14-2-1911. Compliance and enforcement**

- A. A telecommunications company shall provide a copy of their records of customer verification and unauthorized changes maintained under the requirements of R14-2-1905 to Commission Staff upon request.
- B. If, after notice and Commission deliberation, the Commission finds that a telecommunications company is in violation of any section of this rule, the Commission shall order the company to take corrective action as necessary, and the company may be subject to penalties of not more than \$7,500 for the first violation and not more than \$15,000 for each subsequent violation in this state. ~~temporary suspension of service.~~ Furthermore, after notice and hearing, a telecommunications company in violation of these rules may be sanctioned by a prohibition on further solicitation of new customers for a specified period, or revocation of its certificate of convenience and necessity.
- C. In determining whether to impose a civil penalty, the amount of the civil penalty, suspension of services, or whether revocation of a certificate of convenience and necessity is warranted, the Commission may consider any matter and evidence that it deems appropriate. Moreover, the penalties prescribed in this section are in addition to all other causes of action remedies and penalties provided under the laws of this state.
- D. The Commission shall coordinate its enforcement efforts regarding the prosecution of fraudulent, misleading, deceptive, and anti-competitive business practices with the Arizona Attorney General in order to ensure consistent treatment of specific alleged violations.





## ARTICLE 20. CONSUMER PROTECTIONS FOR UNAUTHORIZED CARRIER CHARGES

R14-2-2001	Definitions
R14-2-2002	Purpose and Scope
R14-2-2003	Application
R14-2-2004	Requirements for Billing Authorized Charges
R14-2-2005	Authorization Requirements
R14-2-2006	Unauthorized Charges
R14-2-2007	Notice of Customer Rights
R14-2-2008	Complaint Process
R14-2-2009	Compliance and Enforcement

### R14-2-2001. Definitions

- A. "Cramming" means any recurring charge on a customer's telephone bill that was not authorized or verified in compliance with this section. This does not include one-time charges or taxes and other surcharges that have been authorized to be "passed-through" to the customer.

### R14-2-2002. Purpose and Scope

The provisions of this section are intended to ensure all customers in this state are protected from unauthorized charges on their bill from a telecommunications ~~carrier's bill~~ company.

### R14-2-2003. Application

This section, including any references in this section to the requirements in 47 C.F.R. 64.1100 and 47 C.F.R. 64.1150 applies to each "telecommunications company" as that term is defined in A.A.C. R14-2-1102.15.

### R14-2-2004. Requirements For Billing Authorized Charges:

- A. A telecommunications company, or its billing agent, shall meet all of the following requirements before submitting charges for any product or service billed on any customer's telephone bill:
1. The telecommunications company offering the product or service regulated by the Commission shall inform the customer of the product or service being offered, including all associated charges, and explicitly inform the customer that the associated charges for the product or service will appear on the customer's telephone bill;
  - ~~2. The telecommunications company offering the product or service shall verify that the customer consents to receiving the product or service offered and to have the associated charges appear on the customer's telephone bill. A record of the consent shall be maintained by the service provider offering the product or service for a period of at least 2 months subsequent to the consent;~~
  2. The telecommunications company offering the product or service, and any billing agent for the company, shall provide the customer with a toll-free telephone number the customer may call and an address to which the customer may write to obtain information ~~about to resolve any~~ regarding resolution of billing disputes.
  3. The serving telecommunications company, or its agent, shall provide the billing service provider with its name, postal address, telephone number, and a list with accurate descriptions of the products and services it intends to charge on any customer's bill so that any product or service being charged can clearly and easily be identified on the customer's bill.
  - ~~4. The telecommunications company and any billing agent for the telecommunications company, or its billing clearing agents shall execute a written agreement with the billing service provider for each specific product or service on the telecommunications company's bill. For as long as the billing for the product or service continues and for 24 months immediately following the permanent discontinuation of the billing, a record of this agreement shall be maintained by:~~
    - ~~a. The telecommunications company;~~
    - ~~b. Any billing agent for the telecommunications company; and,~~
    - ~~c. The billing service provider.~~

#### **R14-2-2005. Authorization Requirements**

~~A. Any communication with a customer for consent authorizing the customer's order for~~ **A telecommunications company must obtain and/or communicate the following information from a customer requesting a product or service; shall include: in a clear and conspicuous manner the following:**

1. ~~Date of consent and verification of authorization~~ **service request;**
2. Name and telephone number of the customer;
3. ~~Question and answer to ensure that the customer is qualified to order the product or service and authorize the billing;~~ **Certification that customer is authorized to order the product or service;**
4. ~~Question and answer to ensure that the customer is at least 18 years of age;~~
4. Explanation of each product or service offered;
5. Explanation of all applicable charges;
6. Explicit customer acknowledgement that the charges will be assessed on the customer's bill;
7. Explanation of how a product or service can be cancelled;
8. Description of how the charge will appear on the customer's bill; and
9. Information on whom to call and a working, toll-free telephone number for customer inquiries.

**B. A record shall be maintained by the service provider offering the product or service for a period of at least six months.**

#### **~~R14-2-2006. Customer Consent~~**

~~A. Customer authorization shall be obtained by one or more of the following methods:~~

1. ~~A customer's written consent of authorization shall be a separate document containing the information required by R14-2-2004 and shall be for the sole purpose of authorizing the charges for a product or service on the customer's bill. The written documentation:~~
  - ~~a. Shall be signed and dated only by the customer;~~
  - ~~b. Shall not be combined with inducements of any kind on the same document;~~
  - ~~c. Shall be translated into the same language as any promotional materials, verbal descriptions, or instructions provided the customer;~~
  - ~~d. Shall be translated in its entirety to the same language as found in any portion of the document;~~
2. ~~Toll free electronic authorization shall be as prescribed by the Federal Communications Commission in 47 C.F.R. 4.1100(b).~~
3. **Internet enabled authorization with electronic signature.**
3. ~~A voice recording made to a toll free number shall connect a customer to recording mechanism that shall record the required information regarding the services charge and automatically record the originating automatic number identification information.~~
3. ~~Customer consent records as described in this section shall be maintained by the telecommunications company or billing agent carrier for a minimum of 24 months.~~

#### **R14-2-2006. Unauthorized Charges**

A. If a customer's telephone bill is charged for any **unauthorized** product or service, without proper customer consent as described in R14-2-2006, the billing telecommunications company, on its knowledge or upon notification of any unauthorized charge, shall promptly **as reasonable business practices will permit,** but not later than 45 ~~60~~ days from the date of obtaining knowledge or notification of an unauthorized charge: ~~shall:~~

1. ~~Notify the billing telecommunications company to~~ Immediately cease charging the customer for the unauthorized product or service;
2. Remove the unauthorized charge from the customer's bill;
3. Refund or credit to the customer all money that has been paid by the customer for any unauthorized charge, and if any unauthorized charge that has been paid is not refunded or credited within three billing cycles, shall pay interest on the amount of any unauthorized charge at an annual rate established by the Commission pursuant to A.A.C. R14-2-503(B)(3) until the unauthorized charge is refunded or credited;
4. Provide the customer, upon the customer's request, all billing records under the control of the billing telecommunications company related to any unauthorized charge. The billing records shall be provided within 15 business days ~~from the date of removal of the charge from the customer's telephone bill;~~ **of the customer's request; and,**

5. Maintain for at least ~~24 months~~ **two years** a record of every customer who has experienced any unauthorized charge for a product or service on the customer's telephone bill and has notified the billing provider of the unauthorized charge. The record ~~shall contain~~ for each unauthorized charge **shall include**:
  - a.. The name of the telecommunications company that offered the product or service;
  - b. Any affected telephone number;
  - c. The date each customer requested that the billing provider remove the unauthorized charge from the customer's bill; and,
  - d. The date the customer was refunded or credited any money that the customer paid for unauthorized charges.
- B. Once a ~~unauthorized~~ charge is removed from the customer's telephone bill, it shall not be re-billed on the telephone bill for past or future periods, **unless the customer and the service provider agree that the customer was accurately billed, or the Commission determines that the change was authorized and the change is valid.**
- C. A billing telecommunications company shall not:
  1. Suspend, disconnect, or terminate telecommunications service to any customer who disputes any billing charge pursuant to this section or for nonpayment of an unauthorized charge; or
  2. File an unfavorable credit report against a customer who has not paid charges that the customer has alleged were unauthorized. ~~If the dispute regarding the unauthorized charge is ultimately resolved, the customer shall remain obligated to pay any charges that are not in dispute.~~
- D. **A billing telecommunications company shall hold only disputed charges in abeyance pending resolution of the dispute. The customer shall remain obligated to pay any charges that are not in dispute.**
- E.. The telecommunications company responsible for placing any unauthorized charge on a customers' bill shall:
  1. Immediately cease billing upon notice from the customer or the billing provider that a charge for a product or service has not been authorized by the customer, and,
  2. Maintain for at least ~~24 months~~ **two years** a record for every disputed charge for a product or service on the customer's telephone bill. Each record shall contain:
    - a. Any affected telephone number or addresses,
    - b. The date the customer requested that the telecommunications company remove the unauthorized charge from the customer's bill,
    - c. The date the unauthorized charge was removed from the customer's bill, and,
    - d. The date that action was taken to refund or credit to the customer any money that the customer paid for the unauthorized charges.

**R14-2-2007. Notice of Customer Rights**

- A. Each telecommunications company shall provide to its customers a notice of the customer's rights regarding unauthorized changes.
- B. The customer notice shall include the following:
  1. The name, address and telephone number where a customer can contact the telecommunications company;
  2. A statement that a telecommunications company is prohibited from adding products and services to a customer's telephone service without the customer's ~~permission~~ **authorization**;
  3. A statement that the telecommunications company is required to return the service to its original provisions if a customer has been crammed; and
  4. A statement that the telecommunications company is required to pay all charges associated with returning the customer to their original provisions **as promptly as reasonable business practices will permit but no later than sixty within 5 business days** of the customer's request;
  5. A statement that the telecommunications company must refund to the customer ~~within 30 business days~~ any amount the customer paid for unauthorized charges; **as promptly as reasonable business practices will permit, but no later than 60 days of customer's request.**
  6. A statement that a ~~crammed~~ customer **that has been crammed** should call the Arizona Corporation Commission to report the unauthorized change.
  7. **The name, address, web site address and telephone number of the Arizona Corporation Commission must be provided.**
- C. Distribution, language and timing of notice:
  1. A telecommunications company shall ~~send~~ **provide** the notice described in this rule to new customers at the time service is initiated, and upon customer request;

2. Each telecommunications company that publishes a telephone directory shall print the notice described in this rule in the white pages of its next annual telephone directory. ~~published 30 days after the effective date of this rule.~~
3. Each telecommunications company shall display notice of customer's rights on the company's web site.
4. The notice described in this rule shall be in both English and Spanish as necessary to effectively inform the customer.

**R14-2-2008. Complaint Process**

- A. ~~A customer may file an informal complaint with the Arizona Corporation Commission against a telecommunications carrier for any reasons related to the provisions of the section. The complaint is to be in writing and is to include:~~
  - ~~a. Complainant's name, address, telephone number and e-mail if possible;~~
  - ~~b. The name of the telecommunications company billing the unauthorized charge;~~
  - ~~c. The date of the allegedly unauthorized charges (if known);~~
  - ~~d. A statement of facts (including documentation) to support the complainant's allegation;~~
  - ~~e. A statement of whether the complainant has paid any disputed charges; and,~~
  - ~~f. The specific relief sought.~~
- A. An informal complaint shall may be in writing, telephonic or electronically transmitted. and should contain: Information should include:
  1. Complainant's name, address, telephone number and e-mail if possible;
  2. The names of the alleged unauthorized telecommunications company, the authorized telecommunications company and the executing telecommunications company;
  3. The date of the alleged unauthorized change (if known);
  4. A statement of facts (including documentation) to support the complainant's allegation;
  5. A statement of whether the complainant has paid any disputed charges; and,
  6. The specific relief sought.
- B. Staff of the Arizona Corporation Commission ~~upon receipt of an informal complaint,~~ shall:
  1. ~~Give the customer acknowledgement of the Commission's receipt of the complaint and provide the customer with written procedures for resolving the complaint;~~ Assist the Complainant in resolving the complaint;
  2. Notify the telecommunications company of the alleged unauthorized charge;
  3. Request the telecommunications company provide an initial response in five business days.
  4. Request that the telecommunications company provide documentation of the customer's new service or product request. ~~authorization.~~ Such information will be provided to Staff within 10 20 business days of the initial notification or. ~~If such information is not provided within 10 business days a valid presumption will exist that an unauthorized charge occurred and Staff will make a finding that such an unauthorized charge did occur;~~
- C. The telecommunications company shall provide Staff with any other additional information Staff requests within 10 business days; ~~or provide staff with an explanation for the delay and an estimate for when the requested materials will be provided.~~ of Staff's request.
- D. Staff will conduct a review of the complaint and related materials to determine if an unauthorized charge has occurred.
- E. Upon conclusion of its review, Staff will inform the customer and the telecommunications company of its findings.
- F. In the event either party is dissatisfied with the Staff resolution, either party may appeal the decision within 5 10 business days. Such an appeal would be heard by an appointed Utilities Division arbitrator ~~mediator.~~
- G. If the complainant is unsatisfied with the resolution of the complaint under this section, the complainant may file a formal complaint under ARS 40-246.

**R14-2-2009. Compliance and enforcement**

- A. A telecommunications company shall provide a copy of records ~~maintained under the requirements of R14-2-2004 and R14-2-2005~~ related to a customer's request for services or products to Commission Staff upon request.
- B. After notice and Commission deliberation, if the Commission finds that a telecommunications company is in violation of any section of this article, the Commission shall order the company to take corrective action as

necessary, and the company may be subject to penalties of not more than \$7,500 for the first violation and not more than \$15,000 for each subsequent violation in this state. ~~temporary suspension of service.~~ **Furthermore, after notice and hearing, a telecommunications company in violation of these rules may be sanctioned by a prohibition on further solicitation of services and products for a specified period,** or revocation of its certificate of convenience and necessity.

- C. In determining whether to impose a civil penalty, the amount of the civil penalty, suspension of services, or whether revocation of a certificate of convenience and necessity is warranted, the Commission may consider any matter and evidence that it deems appropriate. Moreover, the penalties prescribed in this section are in addition to all other causes of action remedies and penalties provided under the laws of this state.
- D. The Commission shall coordinate its enforcement efforts regarding the prosecution of fraudulent, misleading, deceptive, and anti-competitive business practices with the Arizona Attorney General in order to ensure consistent treatment of specific alleged violations.